

Message Text

UNCLASSIFIED

PAGE 01 JIDDA 04489 261011Z
ACTION NEA-10

INFO OCT-01 EB-07 ISO-00 L-03 OPIC-06 /027 W
-----090910 261017Z /14

R 260935Z JUN 77
FM AMEMBASSY JIDDA
TO USDOC WASHDC
INFO SECSTATE WASHDC 8743

UNCLAS JIDDA 4489

E.O. 11652: N/A
TAGS: BDIS, SA
SUBJ: U.S. FIRM ALLEGEDLY DEFAULTING JOINT VENTURE WITH SAUDI FIRM;
NATIONAL GENERAL CORP., P.O. BOX 4226, RIYADH VS. T-CAS, INC.,
7115 LEESBURG PIKE, FALLS CHURCH, VA. 22043

1. SHEIKH ABDULLA SALIH BARAJA VISITED EMBASSY WITH COPY OF
CONTRACT HIS FIRM NATIONAL GENERAL CORP. HAS WITH T-CAS, INC.
TO PERFORM MINISTRY OF INFO PROJECT ON RADIO STATION AT
MEDINA VALUED AT SR 8 MILLION (U.S. \$2.28 MILLION).

2. CONTRACT STIPULATES THAT U.S. COMPANY WILL GIVE LETTER
OF CREDIT PERFORMANCE GUARANTY BACK-UP TO SAUDI FIRM WHICH
FINANCED ORIGINAL 10 PERCENT PERFORMANCE GUARANTEE VALUED
AT SR 800,000 IN OCTOBER 1976. PRESIDENT OF U.S. FIRM,
ONE WILLIAM DOUGLAS CARTER, PROMISED SUBMIT HIS COMPANY'S
SHARE 2 WEEKS AFTER OCTOBER 1976. DATE, BUT HAS YET TO DO
SO DESPITE FACT U.S. FIRM HAS COLLECTED 20 PERCENT
ADVANCE.

3. SAUDI FIRM FEELS THAT T-CAS, INC. BEING EVASIVE ON
MATTER AND DESIRES KNOW WHETHER CARTER WILL FULFILL
OBLIGATION AMOUNTING TO A BANK GUARANTEE FOR APPROXI-
MATELY SR 520,000. BARAJA CLAIMS THAT U.S. FIRM HAS
PUT UP GUARANTEES FOR FURTHER OPTIONS ON SAME CONTRACT
AND FEELS THAT AS ONE TIME JOINT VENTURE ON PROJECT
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U.S. FIRM SHOULD COMPLY WITH PRIOR OBLIGATION.

4. BARAJA IS REPUTABLE SAUDI BUSINESSMAN WITH SOLID
REPUTATION IN GOVERNMENT CIRCLES. FAILURE OF U.S.
FIRM TO ADHERE TO CONTRACT COULD JEOPARDIZE THIS AND
FUTURE BUSINESS IN SAUDI ARABIA, BARAJA CLAIMS THAT
HE WOULD PREFER TRUTH IF CARTER CAN'T GET GUARANTEE,

BUT DISLIKES PROCRASTINATION AND EMPTY PROMISES.
U.S. EMPLOYEES, WHO HE SAYS DOING FIRST RATE JOB, MAY
BE PREVENTED FROM LEAVING COUNTRY IF NO SATISFACTION
FORTHCOMING.

5. POST WOULD APPRECIATE USDOC GETTING T-CAS REACTION
AND VERSION OF DISPUTE. WE URGE T-CAS TO RESPOND TO
SAUDI FIRM SOONEST TO AVOID LATER PROBLEMS.
WILEY

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
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Sent Date: 26-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Previous Channel Indicators: n/a
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Reference: n/a
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Review Action: RELEASED, APPROVED
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Review Release Date: n/a
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Review Withdrawn Fields: n/a
SAS ID: 2030771
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